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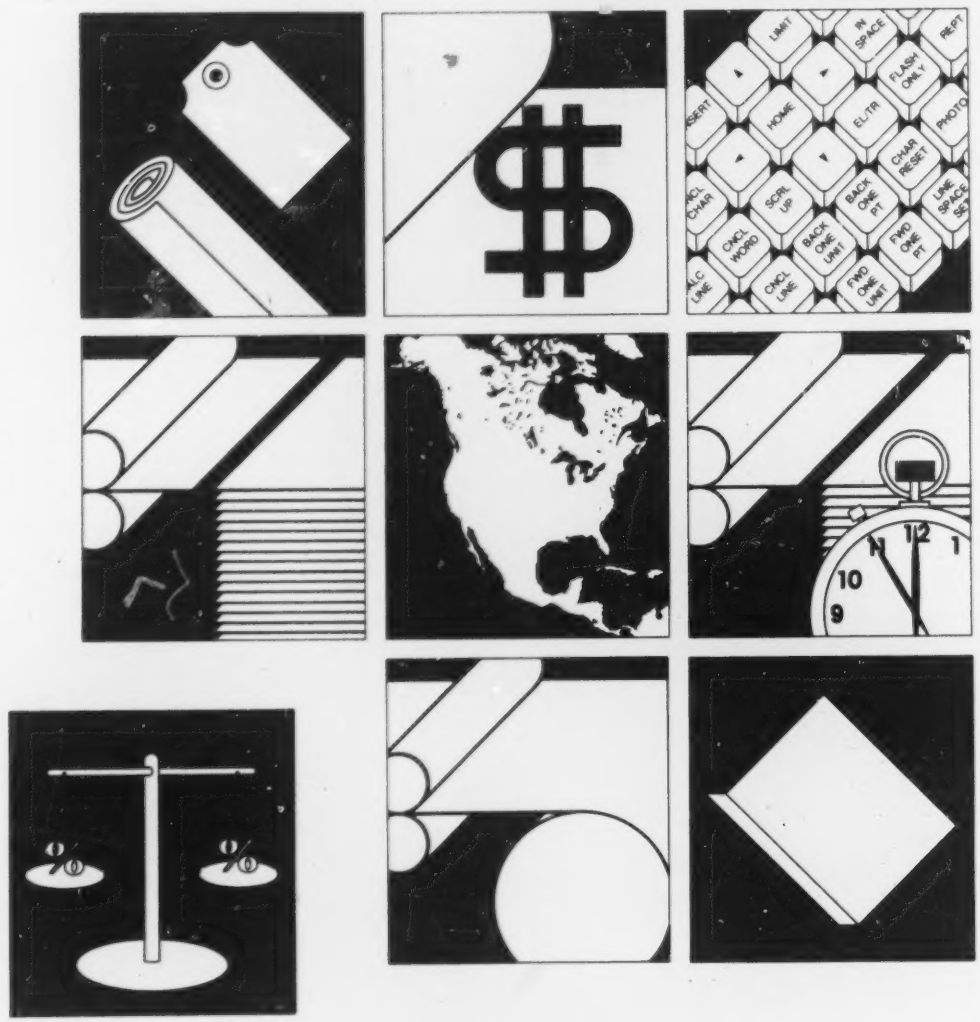
PPA INC

FINANCIAL SERVICES

1985 Financial Ratio Study



Volume XI
Typographers

ABOUT PIA...

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial services package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
- Money Manager - A Monthly Financial newsletter with an exclusive print activity forecast: PrintOutlook
- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management/Investment Banking Seminars
- Production Profit Target Program: production guidelines for sheetfed presses, web presses, bindery, and prepress equipment

For further information, contact:

William A. Rose, II
Director, PIA Financial Services
1730 North Lynn Street
Arlington, Virginia 22209
703/841-4805

PIA's Education and Publication Services is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980's (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981–82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation

Members may obtain these books through their PIA Affiliated Associations' Graphic Arts Bookstores, or by calling 1-800/PIA-DATA. Available free upon request from PIA is PrintCatalog, a comprehensive listing of all the publications and programs offered by all components of PIA. For further information about how to order or about the contents of publications, contact:

Printing Industries of America, Inc.
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Volume XI: Typographers

An Annual Financial Survey Conducted By:
PIA Financial Services
1730 North Lynn Street
Arlington, VA 22209

Accounting Firm:

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PRINTING INDUSTRIES OF AMERICA, INC.

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Dear Colleague:

1985 is the 62nd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S., Canada, and throughout the world. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1985 PIA FINANCIAL RATIO FOR TYPOGRAPHERS who participated in the 1985 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 29 firms and presents the ratios and statistics of typographers by sales volume and market.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales to $500,000, sales from $500,000 to $1,500,000 etc.; and market — for example, Printers and Lithographers, Advertising Agencies, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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The National Composition Association, a special industry group of PIA, represents over 750 firms in the typesetting industry.

NCA provides extensive technical and managerial information on photocomposition, word processing, computers and pre-press systems. *NCA Reports*, a three-ring updatable binder of over 250 pages of information, is issued to all members and kept up-to-date with supplements. Type-X, the NCA Annual Convention and trade show is a unique opportunity to study the technology of photocompositon intently with both seminar and hands-on demonstrations. *NCA NewsLine*, a monthly newsletter, briefly and concisely summarizes industry developments. An Annual Awards Competition, the Typographic Excellence Awards Competition, recognizes outstanding examples of production excellence.

The NCA library of publications and cassette tapes now contains over 100 titles on all facets of typesetting. To evaluate production efficiency with industry averages, NCA has introduced Benchmark Reports, a standardized text, with a computerized tabulation program. NCA Seminars are noted for in-depth presentation by knowledgeable and authoritative speakers. The NCA Research and Education Fund has been established to work in those areas that are important to the industry, but have no prospect of generating revenues to off-set costs.

NCA is governed by its own Board of Directors and Officers and is a self-supporting contributor to the efforts of the Printing Industries of America and its affiliated local organizations. We are pleased to endorse the PIA Ratio Reports and encourage participation in this vital program.

Tina H. Allman
Executive Director
National Composition Association
(703) 841-8165

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	1.27	1.17
Other chargeable materials	3.18	2.65
Outside services	5.49	2.62
TOTAL MATERIALS	9.94	6.44
FACTORY PAYROLL	40.28	38.67
FACTORY EXPENSES	18.36	20.16
TOTAL FACTORY COST OF PRODUCT	68.58	65.27
GROSS PROFIT	31.42	34.73
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	16.87	15.20
Selling expenses	8.71	7.73
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.58	22.93
INCOME BEFORE INTEREST EXPENSE	5.84	11.80
Interest expense	2.05	1.31
OPERATING INCOME	3.79	10.49
Other income	0.96	0.76
INCOME BEFORE INCOME TAXES	4.75	11.25

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	0.03%	0.04%
Film	0.98	0.59
Plates	0.01	0.00
Other chargeable materials	2.16	2.02
TOTAL OTHER CHARGEABLE MATERIALS	3.18	2.65
OUTSIDE SERVICES		
Composition	0.19	0.30
Offset preparation	1.16	0.00
Printing	3.14	1.16
Binding	0.01	0.02
Other outside services	0.99	1.14
TOTAL OUTSIDE SERVICES	5.49	2.62

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES TO $500,000		SALES FROM $500,000-$1,500,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.63	0.66	1.53	0.80	3.12	3.37
2.57	1.63	3.35	3.55	2.72	2.96
1.49	1.50	10.50	4.03	1.64	1.87
4.69	3.79	15.38	8.38	7.48	8.20
42.21	40.31	36.26	35.95	47.14	41.36
21.32	24.02	17.26	18.68	13.76	14.25
68.22	68.12	68.90	63.01	68.38	63.81
31.78	31.88	31.10	36.99	31.62	36.19
22.70	16.91	13.76	15.62	8.98	9.84
5.59	4.51	10.48	9.43	12.19	11.55
28.29	21.42	24.24	25.05	21.17	21.39
3.49	10.46	6.86	11.94	10.45	14.80
2.41	0.74	1.83	1.63	1.44	1.91
1.08	9.72	5.03	10.31	9.01	12.89
1.10	1.14	0.96	0.39	0.71	0.69
2.18	10.86	5.99	10.70	9.72	13.58
0.06%	0.08%	0.02%	0.00%	0.00%	0.00%
0.00	0.00	1.00	0.00	2.72	2.96
0.00	0.00	0.03	0.00	0.00	0.00
2.51	1.55	2.30	3.55	0.00	0.00
2.57	1.63	3.35	3.55	2.72	2.96
0.32	0.36	0.00	0.00	0.74	0.54
0.00	0.00	2.51	0.00	0.00	0.00
0.11	0.13	6.73	3.05	0.01	0.00
0.03	0.03	0.00	0.00	0.00	0.00
1.03	0.98	1.26	0.98	0.89	1.33
1.49	1.50	10.50	4.03	1.64	1.87

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	4.09%	4.08%
Direct wages	27.34	25.97
General factory salaries and wages	1.79	2.32
Packing, shipping and delivery wages	1.50	1.12
Payroll taxes	2.71	2.18
Employee benefits	2 85	3.00
TOTAL FACTORY PAYROLL	40.28	38.67
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.07	0.07
Depreciation - other	4.34	3.90
Taxes - real estate	0.03	0.06
Taxes - other	0.17	0.21
Insurance	0.90	0.64
Building rent	2.34	2.57
Utilities - heat, light, etc.	0.88	1.07
Equipment rental	3.07	3.64
Total Fixed Expenses	11.80	12.16
Other Expenses		
Factory supplies and expense	2.28	2.58
Packing, shipping and delivery expense	1.48	2.01
Repairs and maintenance	2.25	2.45
Other factory expenses	0.55	0.96
Total Other Expenses	6.56	8.00
TOTAL FACTORY EXPENSES	18.36	20.16
ADMINISTRATIVE EXPENSES		
Salaries - executive	5.87	5.58
Salaries - office	2.84	1.75
Payroll taxes	0.69	0.55
Employee benefits	0.77	0.84
Bad debts	0.37	0.53
Office supplies and expenses	0.85	0.74
Professional fees	0.88	0.82
Taxes - business	0.46	0.50
Telephone	0.96	0.95
Other administrative expenses	3.18	2.94
TOTAL ADMINISTRATIVE EXPENSES	16.87	15.20
SELLING EXPENSES		
Salaries - executive	1.70	2.11
Salaries and commissions - salesmen	3.35	2.44
Salaries - sales office clerical	0.61	0.81
Payroll taxes	0.36	0.27
Employee benefits	0.36	0.33
Advertising	0.82	0.84
Travel and entertainment	0.93	0.78
Other selling expenses	0.58	0.15
TOTAL SELLING EXPENSES	8.71	7.73

SALES TO $500,000		SALES FROM $500,000-$1,500,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
5.93%	5.70%	2.56%	2.45%	3.35%	4.09%
28.11	28.36	25.20	22.53	33.61	28.60
0.69	0.84	2.64	4.27	1.69	1.12
2.07	1.36	0.89	1.08	0.74	0.66
2.81	2.11	2.43	1.98	3.34	2.87
2.60	1.94	2.54	3.64	4.41	4.02
42.21	40.31	36.26	35.95	47.14	41.36
0.00	0.00	0.15	0.16	0.00	0.00
4.31	3.43	4.52	4.70	3.86	3.12
0.00	0.00	0.08	0.15	0.00	0.00
0.20	0.34	0.13	0.08	0.15	0.20
1.50	1.12	0.54	0.36	0.18	0.14
2.96	3.34	2.02	2.10	1.78	1.80
0.92	1.20	0.77	1.07	1.03	0.76
3.70	4.76	3.32	3.66	0.50	0.74
13.59	14.19	11.53	12.28	7.50	6.76
3.29	3.62	1.62	2.00	1.36	1.46
1.35	2.03	1.31	1.15	2.91	4.16
2.11	2.22	2.51	2.97	1.85	1.71
0.98	1.96	0.29	0.28	0.14	0.16
7.73	9.83	5.73	6.40	6.26	7.49
21.32	24.02	17.26	18.68	13.76	14.25
8.12	7.39	4.62	4.59	2.62	3.42
3.38	0.63	2.57	2.75	2.12	2.03
1.03	0.71	0.48	0.48	0.35	0.36
0.78	0.46	0.84	1.47	0.38	0.26
0.35	0.42	0.43	0.76	0.15	0.22
1.23	0.77	0.66	0.78	0.42	0.52
1.06	0.73	0.74	0.84	0.93	1.02
0.61	0.38	0.46	0.82	0.02	0.03
1.28	1.23	0.72	0.76	0.76	0.70
4.86	4.19	2.24	2.37	1.23	1.28
22.70	16.91	13.76	15.62	8.98	9.84
2.04	2.00	1.52	2.46	1.78	1.53
1.01	0.63	4.73	3.33	4.70	4.79
0.31	0.21	0.56	0.85	2.23	2.23
0.21	0.14	0.42	0.30	0.52	0.49
0.17	0.12	0.36	0.43	0.88	0.60
1.14	0.82	0.65	0.95	0.45	0.59
0.68	0.54	1.12	1.00	1.14	0.81
0.03	0.05	1.12	0.11	0.49	0.51
5.59	4.51	10.48	9.43	12.19	11.55

BALANCE SHEET

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	15.14%	16.52%
Receivables	37.77	35.34
Inventories	6.78	7.02
Other current assets	5.90	8.45
TOTAL CURRENT ASSETS	65.59	67.33
FIXED ASSETS		
Real estate	2.55	2.17
Less: Accumulated depreciation	0.70	1.12
	1.85	1.05
Machinery and equipment	63.68	55.38
Less: Accumulated depreciation	38.85	31.21
	24.83	24.17
Other fixed assets	8.83	8.08
Less: Accumulated depreciation	4.18	3.01
	4.65	5.07
NET FIXED ASSETS	31.33	30.29
OTHER ASSETS	3.08	2.38
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	10.61	5.66
Accounts payable	12.85	9.88
Other current liabilities	8 51	10.26
TOTAL CURRENT LIABILITIES	31.97	25.80
LONG-TERM LIABILITIES	27.23	24.93
TOTAL LIABILITIES	59.20	50.73
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.80	49.27
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.05	2.61
QUICK RATIO	1.84	2.34
TOTAL LIABILITIES TO EQUITY	1.45	1.03
LONG-TERM LIABILITIES TO EQUITY	0.6,	0.51
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.61	0.56

SALES TO $500,000		SALES FROM $500,000-$1,500,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
24.99%	28.50%	8.25%	9.57%	7.13%	3.96%
30.68	24.63	42.54	42.53	42.82	44.15
1.49	0.66	7.89	7.57	20.32	21.54
6.47	6.99	6.30	11.81	2.96	3.69
63.63	60.78	64.98	71.48	73.23	73.34
0.00	0.00	5.50	5.21	0.00	0.00
0.00	0.00	1.37	2.70	0.00	0.00
0.00	0.00	4.13	2.51	0.00	0.00
62.20	49.09	62.62	58.68	70.20	62.84
34.33	20.64	39.69	37.77	49.45	41.21
27.87	28.45	22.93	20.91	20.75	21.63
9.90	9.52	6.42	4.25	15.54	14.08
3.43	1.19	3.09	2.19	11.08	9.60
6.47	8.33	3.33	2.06	4.46	4.48
34.34	36.78	30.39	25.48	25.21	26.11
2.03	2.44	4.63	3.04	1.56	0.55
100.00	100.00	100.00	100.00	100.00	100.00
9.11	4.12	14.24	8.66	2.31	2.03
14.33	12.62	13.46	6.76	8.12	10.83
6.48	9.62	8.29	7.73	15.71	18.18
29.92	26.36	35.99	23.15	26.14	31.04
34.93	31.68	21.62	20.55	12.76	19.01
64.85	58.04	57.61	43.70	38.90	50.05
35.15	41.96	42.39	56.30	61.10	49.95
100.00	100.00	100.00	100.00	100.00	100.00
2.13	2.31	1.81	3.09	2.80	2.36
2.08	2.28	1.59	2.76	2.02	1.67
1.84	1.38	1.36	0.78	0.64	1.00
0.99	0.76	0.51	0.37	0.21	0.38
0.55	0.42	0.63	0.64	0.70	0.66

SIGNIFICANT FACTS

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 20,316	$ 27,905
Average assets per factory employee (Excluding Executives)	29,028	39,937
Average net worth per employee - All employees	10,026	17,116
Average gross plant investment per factory employee (Excluding Executives)	19,166	21,679
Net worth percentage of fixed assets	177.40%	154.71%
EMPLOYEES		
Percent factory - All employees	76.33%	78.04%
Percent administrative - All employees	15.46	12.90
Percent sales - All employees	8.21	9.06
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 40,201	$ 45,340
Sales per factory employee	54,237	59,025
Sales less material per factory employee	48,200	54,990
Sales per administrative employee	302,376	315,133
EXCLUDING EXECUTIVES		
Sales per employee - All employees	48,053	55,043
Sales per factory employee	58,113	63,964
Sales less material per factory employee	51,807	59,665
SALES PER SALESMAN	301,294	206,328
SALES TO CURRENT ASSETS	412%	406%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	56.81%	53.36%
Factory payroll percentage of gross plant investment	179.37	184.39
Payroll per employee - All employees	$ 22,422	$ 24,336
Payroll per factory employee	20,849	22,402
Payroll per administrative employee	25,357	27,354
Payroll per sales employee	30,019	26,434
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 17,443	$ 18,715
Payroll per factory employee	17,156	18,442
Payroll per administrative employee	12,098	13,835
Payroll per sales employee	19,367	15,644
EXECUTIVE PAYROLL		
Payroll per executive - All executives	33,013	32,898
Payroll per factory executive	21,851	22,301
Payroll per administrative executive	30,923	32,779
Payroll per sales executive	23,312	31,679
RECEIVABLES		
Collection period	58.7	59.8
PROFIT		
Gross profit percentage of sales	31.42%	34.73%
Average gross profit per factory employee	$ 19,151	$ 22,673
Income before taxes percentage of sales	4.75%	11.25%
Average income before taxes per employee	$ 2,224	$ 5,062

SALES TO $500,000		SALES FROM $500,000-$1,500,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 13,739	$ 17,090	$ 26,565	$ 41,023	$ 21,363	$ 22,144
20,901	24,084	37,321	59,491	28,705	30,682
4,726	7,667	14,712	28,954	12,935	11,145
15,487	15,198	21,575	27,424	24,212	23,520
192.31%	156.03%	153.43%	138.93%	246.01%	190.84%
74.96%	82.20%	76.59%	74.10%	79.16%	77.49%
20.20	13.48	12.98	13.62	8.95	9.67
4.84	4.32	10.43	12.28	11.89	12.84
$ 32,244	$ 37,581	$ 44,472	$ 47,680	$ 52,455	$ 58,887
46,084	46,426	58,902	64,756	66,793	76,196
44,002	44,558	48,902	59,337	61,836	70,203
144,986	144,075	374,748	368,781	581,723	608,654
43,672	50,964	49,904	55,025	57,417	65,289
51,616	52,506	61,193	68,335	70,951	81,683
49,266	50,551	50,946	62,550	65,661	75,236
150,783	151,250	278,185	135,417	567,389	600,126
431%	429%	415%	400%	335%	365%
59.25%	52.62%	52.36%	52.61%	62.73%	57.08%
213.63	286.96	159.10	97.57	134.50	144.99
$ 18,938	$ 19,585	$ 22,805	$ 25,258	$ 32,377	$ 33,910
18,233	17,883	20,609	23,175	30,570	31,768
18,145	18,178	29,912	32,695	32,214	36,941
17,616	12,892	36,182	32,556	44,523	44,986
$ 14,978	$ 15,912	$ 17,521	$ 18,644	$ 25,099	$ 25,902
15,191	15,395	17,005	18,894	24,430	24,926
10,747	10,000	11,877	15,996	16,875	18,018
5,344	6,667	26,775	16,153	34,662	36,813
22,092	21,422	38,885	35,412	50,638	55,306
13,969	13,764	23,865	21,218	40,795	46,352
19,777	15,278	33,200	31,789	63,852	79,008
15,661	12,140	19,537	31,527	78,042	80,909
48.0	43.9	67.2	75.2	65.1	61.0
31.78%	31.88%	31.10%	36.99%	31.62%	36.19%
$ 17,953	$ 16,875	$ 19,366	$ 25,645	$ 23,534	$ 29,738
2.18%	10.86%	5.99%	10.70%	9.72%	13.58%
$ 815	$ 4,079	$ 2,785	$ 4,922	$ 5,511	$ 7,869

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 6.50	$ 8.26
Receivables	15.81	16.02
Inventories	3.22	3.91
Marketable securities	4.93	10.88
Other current assets	1.51	1.96
	31.97	41.03
Plant Investment:		
Land and building	2.45	3.70
Machinery and equipment	27.45	24.84
Other fixed assets	4.32	4.50
	34.22	33.04
Non-Current Assets	1.54	1.38
TOTAL INVESTMENT	67.73	75.45
INVESTMENT TURNOVER PER $100 OF SALES	147.65%	132.54%
EARNINGS		
Cost of Product	$68.58	$65.27
Selling Expenses	8.71	7.73
Administrative Expenses	16.87	15.20
	94.16	88.20
Income Before Interest, Other Income, and Taxes	5.84	11.80
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.62%	15.64%

SALES TO $500,000		SALES FROM $500,000-$1,500,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 8.33	$ 9.60	$ 5.76	$ 9.53	$ 3.38	$ 1.70
12.90	11.69	18.13	20.35	17.40	16.06
0.66	0.36	4.06	5.36	9.08	9.15
1.55	1.76	9.57	24.35	0.00	0.00
1.82	2.02	1.38	2.22	1.04	1.19
25.26	25.43	38.90	61.81	30.90	28.10
0.00	0.00	5.40	8.87	0.00	0.00
26.34	22.51	28.01	27.62	29.97	23.71
4.89	5.38	3.35	3.16	6.86	5.67
31.23	27.89	36.76	39.65	36.83	29.38
0.99	0.99	2.34	2.21	0.77	0.25
57.48	54.31	78.00	103.67	68.50	57.73
173.97%	184.13%	128.21%	96.46%	145.99%	173.22%
$68.22	$68.12	$68.90	$63.01	$68.38	$63.81
5.59	4.51	10.48	9.43	12.19	11.55
22.70	16.91	13.76	15.62	8.98	9.84
96.51	89.54	93.14	88.06	89.55	85.20
3.49	10.46	6.86	11.94	10.45	14.80
6.07%	19.26%	8.80%	11.52%	15.26%	25.64%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	0.00	1.71	0.82
Other chargeable materials	1.46	2.65	1.82
Outside services	5.25	1.32	1.85
TOTAL MATERIALS	6.71	5.68	4.49
FACTORY PAYROLL	33.13	41.92	34.81
FACTORY EXPENSES	13.07	20.83	22.61
TOTAL FACTORY COST OF PRODUCT	52.91	68.43	61.91
GROSS PROFIT	47.09	31.57	38.09
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	38.17	16.82	19.12
Selling expenses	3.41	10.32	9.35
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	41.58	27.14	28.47
INCOME BEFORE INTEREST EXPENSE	5.51	4.43	9.62
Interest expense	0.00	2.09	0.84
OPERATING INCOME	5.51	2.34	8.78
Other income (expense)	(0.53)	1.99	1.38
INCOME BEFORE INCOME TAXES	4.98	4.33	10.16

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.00%	0.06%	0.10%
Film	0.00	0.53	0.00
Plates	0.00	0.00	0.00
Other chargeable materials	1.46	2.06	1.72
TOTAL OTHER CHARGEABLE MATERIALS	1.46	2.65	1.82
OUTSIDE SERVICES			
Composition	0.00	0.32	0.45
Offset preparation	0.00	0.00	0.00
Printing	5.25	0.12	0.17
Binding	0.00	0.03	0.04
Other outside services	0.00	0.85	1.19
TOTAL OUTSIDE SERVICES	5.25	1.32	1.85

** Sample insufficient for Profit Leaders.
*** Information not submitted.

PUBLISHERS		BOOKS		DIRECT BUYERS	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.65	0.00	1.54	0.95	1.34	2.95
1.18	1.23	3.39	4.41	4.39	3.44
6.68	0.27	2.66	4.18	8.51	1.53
8.51	1.50	7.59	9.54	14.24	7.92
49.52	54.34	41.93	36.29	36.88	34.94
14.44	15.11	18.86	20.82	18.94	20.06
72.47	70.95	68.38	66.65	70.06	62.92
27.53	29.05	31.62	33.35	29.94	37.08
9.27	8.09	13.83	10.69	16.89	19.30
10.49	7.49	8.66	6.62	8.07	6.78
19.76	15.58	22.49	17.31	24.96	26.08
7.77	13.47	9.13	16.04	4.98	11.00
1.03	0.93	3.71	3.25	2.16	1.30
6.74	12.54	5.42	12.79	2.82	9.70
(0.10)	(0.58)	2.15	2.28	0.57	0.39
6.64	11.96	7.57	15.07	3.39	10.09
0.00%		0.00%	0.00%	0.04%	0.00%
1.18		1.88	4.41	1.12	0.00
0.00		0.00	0.00	0.05	0.00
0.00		1.51	0.00	3.18	3.44
1.18	***	3.39	4.41	4.39	3.44
0.29		0.07	0.00	0.13	0.36
2.33		0.00	0.00	1.95	0.00
3.63		0.00	0.00	5.18	0.00
0.00		0.00	0.00	0.00	0.00
0.43		2.59	4.18	1.25	1.17
6.68	***	2.66	4.18	8.51	1.53

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	1.44%	4.35%	5.22%
Direct wages	24.76	27.34	20.74
General factory salaries and wages	1.70	2.35	2.59
Packing, shipping and delivery wages	0.00	2.29	2.26
Payroll taxes	0.00	2.90	2.04
Employee benefits	5.23	2.69	1.96
TOTAL FACTORY PAYROLL	33.13	41.92	34.81
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.00	0.00	0.00
Depreciation - other	4.24	5.04	3.75
Taxes - real estate	0.00	0.00	0.00
Taxes - other	0.00	0.14	0.12
Insurance	0.05	1.12	1.02
Building rent	1.36	2.90	2.63
Utilities - heat, light, etc.	0.00	1.17	1.42
Equipment rental	0.50	3.03	4.33
Total Fixed Expenses	6.15	13.40	13.27
Other Expenses			
Factory supplies and expense	2.48	2.65	4.23
Packing, shipping and delivery expense	0.04	2.60	2.68
Repairs and maintenance	3.77	1.87	2.19
Other factory expenses	0.63	0.31	0.24
Total Other Expenses	6.92	7.43	9.34
TOTAL FACTORY EXPENSES	13.07	20.83	22.61
ADMINISTRATIVE EXPENSES			
Salaries - executive	13.16	5.93	8.03
Salaries - office	9.09	2.39	1.17
Payroll taxes	2.74	0.64	0.75
Employee benefits	2.27	0.53	0.68
Bad debts	0.02	0.55	0.80
Office supplies and expenses	0.14	1.08	0.86
Professional fees	1.55	0.68	0.54
Taxes - business	0.04	0.48	0.48
Telephone	0.82	1.05	1.27
Other administrative expenses	8.34	3.49	4.54
TOTAL ADMINISTRATIVE EXPENSES	38.17	16.82	19.12
SELLING EXPENSES			
Salaries - executive	0.00	2.33	3.34
Salaries and commissions - salesmen	2.48	4.11	1.84
Salaries - sales office clerical	0.00	0.55	0.97
Payroll taxes	0.00	0.47	0.34
Employee benefits	0.22	0.34	0.34
Advertising	0.02	1.12	1.29
Travel and entertainment	0.59	0.84	1.16
Other selling expenses	0.10	0.56	0.07
TOTAL SELLING EXPENSES	3.41	10.32	9.35

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.43%	5.05%	4.75%	4.54%	4.38%	2.00%
34.25	34.01	30.76	25.38	24.32	27.90
3.66	5.90	0.56	1.12	1.26	0.00
0.67	0.89	0.39	0.78	1.95	0.38
3.56	3.98	3.84	2.98	2.39	1.37
3.95	4.51	1.63	1.49	2.58	3.29
49.52	54.34	41.93	36.29	36.88	34.94
0.20	0.40	0.00	0.00	0.11	0.00
2.78	2.63	6.55	6.57	3.73	1.94
0.19	0.38	0.00	0.00	0.02	0.00
0.35	0.67	0.10	0.20	0.18	0.11
0.44	0.46	0.85	0.35	1.08	0.64
1.53	1.12	2.68	3.06	2.34	3.07
0.70	0.61	1.54	2.17	0.69	0.54
1.83	1.61	0.98	0.00	4.62	7.34
8.02	7.88	12.70	12.35	12.77	13.64
2.92	3.22	0.53	0.96	2.40	0.64
0.72	0.46	1.99	3.36	1.16	1.93
2.17	2.57	3.37	4.01	1.86	1.50
0.61	0.98	0.27	0.14	0.75	2.35
6.42	7.23	6.16	8.47	6.17	6.42
14.44	15.11	18.86	20.82	18.94	20.06
3.37	3.63	5.38	3.64	5.59	6.77
1.96	1.14	1.66	1.55	2.75	1.66
0.39	0.32	0.58	0.56	0.52	0.63
0.56	0.57	0.58	0.49	0.78	1.66
0.19	0.38	0.70	0.72	0.28	0.29
0.55	0.76	0.62	0.47	1.02	0.93
0.54	0.40	0.93	0.71	0.99	1.34
0.19	0.00	0.21	0.00	0.68	1.38
0.75	0.64	0.90	0.94	1.02	0.87
0.77	0.25	2.27	1.61	3.26	3.77
9.27	8.09	13.83	10.69	16.89	19.30
2.17	0.88	1.39	1.75	1.57	2.22
3.25	3.34	3.17	1.38	3.13	2.55
1.37	0.71	1.11	2.22	0.33	0.00
0.35	0.26	0.45	0.28	0.32	0.25
0.60	0.38	0.27	0.21	0.35	0.35
0.64	0.96	0.29	0.11	1.02	0.90
1.05	0.81	0.95	0.29	0.99	0.42
1.06	0.15	1.03	0.38	0.36	0.09
10.49	7.49	8.66	6.62	8.07	6.78

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	40.86%	17.41%	21.09%
Receivables	21.58	27.96	23.02
Inventories	5.03	4.26	2.17
Other current assets	2.25	6.11	7.19
TOTAL CURRENT ASSETS	69.72	55.74	53.47
FIXED ASSETS			
Real estate	0.00	1.52	2.65
Less: Accumulated depreciation	0.00	1.50	2.62
	0.00	0.02	0.03
Machinery and equipment	137.48	71.79	55.16
Less: Accumulated depreciation	108.45	38.13	24.53
	29.03	33.66	30.63
Other fixed assets	3.62	12.70	14.34
Less: Accumulated depreciation	2.37	4.56	2.47
	1.25	8.14	11.87
NET FIXED ASSETS	30.28	41.82	42.53
OTHER ASSETS	0.00	2.44	4.00
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	15.95	10.62	3.83
Accounts payable	8.33	15.00	13.00
Other current liabilities	7.73	9.55	3.91
TOTAL CURRENT LIABILITIES	32.01	35.17	20.74
LONG-TERM LIABILITIES	0.00	36.66	38.88
TOTAL LIABILITIES	32.01	71.83	59.62
SHAREHOLDERS' AND PROPRIETORS' EQUITY	67.99	28.17	40.38
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.18	1.58	2.58
QUICK RATIO	2.02	1.46	2.47
TOTAL LIABILITIES TO EQUITY	0.47	2.55	1.48
LONG-TERM LIABILITIES TO EQUITY	0.00	1.31	0.96
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.79	0.53	0.44

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
20.22%	37.09%	7.29%	8.78%	10.45%	7.36%
40.80	18.04	36.58	30.54	45.55	63.88
5.23	1.52	14.62	25.31	6.46	3.94
12.13	23.52	4.23	2.07	4.88	6.83
78.38	80.17	62.72	66.70	67.34	82.01
3.86	7.73	0.00	0.00	4.00	0.00
0.74	1.50	0.00	0.00	0.56	0.00
3.12	6.23	0.00	0.00	3.44	0.00
35.74	24.66	68.32	46.48	54.41	37.05
24.88	13.58	38.18	17.69	32.57	22.20
10.86	11.08	30.14	28.79	21.84	14.85
6.43	2.12	10.72	8.60	7.61	3.65
4.48	1.13	6.69	4.66	3.32	3.29
1.95	0.99	4.03	3.94	4.29	0.36
15.93	18.30	34.17	32.73	29.57	15.21
5.69	1.53	3.11	0.57	3.09	2.78
100.00	100.00	100.00	100.00	100.00	100.00
7.56	0.00	20.61	6.42	7.40	2.62
10.33	2.68	4.62	6.85	15.93	10.30
12.66	18.23	9.11	15.84	6.44	8.10
30.55	20.91	34.34	29.11	29.77	21.02
18.65	29.36	27.30	22.71	29.12	13.16
49.20	50.27	61.64	51.82	58.89	34.18
50.80	49.73	38.36	48.18	41.11	65.82
100.00	100.00	100.00	100.00	100.00	100.00
2.57	3.83	1.83	2.29	2.26	3.90
2.39	3.76	1.40	1.42	2.05	3.71
0.97	1.01	1.61	1.08	1.43	0.52
0.37	0.59	0.71	0.47	0.71	0.20
0.70	0.55	0.56	0.38	0.60	0.60

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 10,849	$ 16,808	$ 17,140
Average assets per factory employee (Excluding Executives)	22,016	23,581	24,962
Average net worth per employee - All employees	6,368	4,688	7,142
Average gross plant investment per factory employee (Excluding Executives)	30,526	20,097	17,997
Net worth percentage of fixed assets	374.88%	96.45%	128.19%
EMPLOYEES			
Percent factory - All employees	52.77%	77.11%	76.99%
Percent administrative - All employees	41.67	13.90	12.61
Percent sales - All employees	5.56	8.99	10.40
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 40,333	$ 40,373	$ 39,990
Sales per factory employee	82,929	52,802	52,023
Sales less material per factory employee	78,548	49,691	49,686
Sales per administrative employee	166,548	278,708	274,437
EXCLUDING EXECUTIVES			
Sales per employee - All employees	51,300	49,200	53,218
Sales per factory employee	85,649	57,109	58,671
Sales less material per factory employee	80,902	53,880	56,177
SALES PER SALESMAN	171,430	305,601	137,411
SALES TO CURRENT ASSETS	566%	474%	488%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	63.10%	59.23%	52.26%
Factory payroll percentage of gross plant investment	104.13	138.08	137.02
Payroll per employee - All employees	$ 24,589	$ 23,918	$ 20,872
Payroll per factory employee	26,476	22,210	18,302
Payroll per administrative employee	20,982	23,370	25,489
Payroll per sales employee	11,486	36,054	22,341
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,477	$ 18,652	$ 15,634
Payroll per factory employee	22,183	18,132	15,087
Payroll per administrative employee	15,166	15,410	16,523
Payroll per sales employee	10,570	23,057	12,959
EXECUTIVE PAYROLL			
Payroll per executive - All executives	24,365	34,124	26,689
Payroll per factory executive	12,225	19,138	19,175
Payroll per administrative executive	12,139	23,252	22,372
Payroll per sales executive	0	19,052	24,175
RECEIVABLES			
Collection period	23.5	40.1	32.2
PROFIT			
Gross profit percentage of sales	47.09%	31.57%	38.09%
Average gross profit per factory employee	$ 43,132	$ 18,099	$ 21,872
Income before taxes percentage of sales	4.98%	4.33%	10.16%
Average income before taxes per employee	$ 2,349	$ 1,827	$ 4,117

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 44,754	$ 73,357	$ 20,156	$ 25,742	$ 15,849	$ 18,019
64,349	107,186	27,439	35,022	22,130	24,638
33,151	56,753	8,239	12,249	6,641	11,236
25,660	37,453	18,838	18,858	14,673	11,301
354.15%	254.48%	121.75%	153.26%	151.33%	149.51%
80.11%	83.96%	81.57%	79.99%	76.79%	76.12%
10.12	7.55	9.71	9.30	15.70	18.02
9.77	8.49	8.72	10.71	7.51	5.86
$ 40,561	$ 42,050	$ 35,890	$ 43,464	$ 41,394	$ 55,321
52,867	54,201	44,254	54,481	54,077	72,529
48,131	53,063	40,647	49,184	44,812	66,712
271,067	170,475	399,345	478,663	316,934	367,590
45,369	48,356	41,835	50,347	49,811	66,779
55,373	57,827	48,282	59,319	58,299	75,965
50,535	56,689	44,341	53,552	48,661	69,857
352,578	170,504	287,425	0	307,995	345,063
326%	323%	303%	255%	416%	384%
63.53%	65.55%	56.52%	48.36%	52.22%	51.01%
487.68	514.05	104.97	115.69	138.04	113.09
$ 25,779	$ 27,460	$ 19,835	$ 21,391	$ 20,931	$ 29,022
24,668	26,799	18,125	20,063	18,753	25,530
20,426	19,250	31,737	29,504	26,762	37,034
26,341	16,864	28,793	23,689	31,223	41,256
$ 20,412	$ 22,132	$ 15,448	$ 16,626	$ 16,074	$ 21,426
20,649	22,443	14,927	16,418	15,327	20,752
9,906	7,761	10,094	13,349	11,054	13,635
18,950	13,790	25,432	20,245	16,799	15,559
37,710	33,570	32,307	36,026	32,476	41,461
22,550	9,060	27,238	30,254	23,010	29,277
31,303	24,637	46,575	62,447	33,185	43,232
40,677	24,000	30,199	52,443	21,597	43,522
83.5	79.0	72.9	69.3	62.5	81.9
27.53%	29.05%	31.62%	33.35%	29.94%	37.08%
$ 16,416	$ 18,943	$ 15,532	$ 19,922	$ 17,887	$ 28,944
6.64%	11.96%	7.57%	15.07%	3.39%	10.09%
$ 2,669	$ 4,816	$ 3,287	$ 6,562	$ 1,933	$ 5,606

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 9.33	$ 7.55	$ 9.05
Receivables	6.43	10.57	8.30
Inventories	1.50	1.64	0.64
Marketable securities	0.00	1.26	2.20
Other current assets	0.55	1.52	1.15
	17.81	22.54	21.34
Plant Investment:			
Land and building	0.00	0.32	0.56
Machinery and equipment	38.02	29.93	23.81
Other fixed assets	1.08	6.21	7.24
	39.10	36.46	31.61
Non-Current Assets	0.00	0.87	1.44
TOTAL INVESTMENT	56.91	59.87	54.39
INVESTMENT TURNOVER PER $100 OF SALES	175.72%	167.03%	183.86%
EARNINGS			
Cost of Product	$52.91	$68.43	$61.91
Selling Expenses	3.41	10.32	9.35
Administrative Expenses	38.17	16.82	19.12
	94.49	95.57	90.38
Income Before Interest, Other Income (Expense), and Taxes	5.51	4.43	9.62
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.68%	7.40%	17.69%

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS		DIRECT BUYERS	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$12.57	$22.87	$ 4.39	$ 5.84	$ 4.10	$ 1.84
22.65	21.16	19.65	18.83	16.87	22.08
4.31	4.15	8.03	14.56	2.45	1.31
30.43	60.87	0.00	0.00	1.04	0.00
1.79	3.21	2.58	1.53	1.22	3.06
71.75	112.26	34.65	40.76	25.68	28.29
10.53	21.05	0.00	0.00	2.22	0.00
23.43	24.20	35.97	27.38	22.75	14.31
5.44	5.78	4.95	3.97	3.17	1.13
39.40	51.03	40.92	31.35	28.14	15.44
3.84	4.17	1.86	0.27	1.31	0.63
114.99	167.46	77.43	72.38	55.13	44.36
86.96%	59.72%	129.15%	138.16%	181.39%	225.43%
$72.47	$70.95	$68.38	$66.65	$70.06	$62.92
10.49	7.49	8.66	6.62	8.07	6.78
9.27	8.09	13.83	10.69	16.89	19.30
92.23	86.53	90.87	83.96	95.02	89.00
7.77	13.47	9.13	16.04	4.98	11.00
6.76%	8.04%	11.79%	22.16%	9.03%	24.80%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	29	$ 626,000	$1,243,000	$ 113,000
TOTAL - PROFIT LEADERS*	12	1,030,000	1,865,000	248,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	12	115,000	257,000	8,000
$500,000-$1,500,000	13	586,000	903,000	56,000
Over $3,000,000	3	2,772,000	6,251,000	779,000
PROFIT LEADERS				
0-$500,000	5	142,000	327,000	37,000
$500,000-$1,500,000	5	983,000	1,031,000	104,000
Over $3,000,000	2	3,366,000	7,793,000	1,136,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	2	139,000	480,000	42,000
Advertising Agencies	7	265,000	703,000	39,000
Publishers	4	1,402,000	1,406,000	63,000
Books	4	1,699,000	3,583,000	496,000
Direct Buyers	12	302,000	851,000	56,000
PROFIT LEADERS				
Printers and Lithographers	4	196,000	545,000	57,000
Publishers	2	1,894,000	861,000	92,000
Books	2	3,098,000	6,527,000	993,000
Direct Buyers	3	445,000	1,524,000	164,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 =	20.7%

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1985 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1986 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director, PIA Financial Services